

McCloud Community Meeting Summary

Proposed Bottling Plan

October 22 2008, 6:00p.m. – 8:00p.m.

Topic: Public Involvement Process and the proposed McCloud Bottling Facility

Purpose: To present results from the community interviews

To discuss the need for improved and ongoing public involvement

To set structure and topics for future meetings

Welcome, Introductions

Bill Pistor from Kearns & West opened the meeting welcoming everyone to the first of a series of facilitated meetings related to the proposed bottling facility. Bill introduced himself and Ajay Singh.

Meeting Announcement

Bill described the public noticing plan developed to announce the meeting to the community and stakeholders. The meeting noticing plan included letters to the community, phone calls and e-mails to those interviewed, announcement flyers, and two press releases to the local media for newspaper announcements / articles.

Bill acknowledged participant concerns regarding the announcement and agreed that implementation of the announcement plan could have been more effective. Bill committed to being more timely and aggressive with future meeting announcements.

Bill explained that one issue was the mailing list which K&W had to create from the county tax assessor's office. Bill asked participants to provide their contact information on the sign-in sheet so it can serve as the basis for developing a more tailored and targeted mailing list.

Kearns & West Role and Experience

Bill explained his role and the types of services that Kearns & West provides to communities. He explained that Kearns & West provides a number of services to improve public participation.

An audience member raised the concern that Kearns & West was being paid by Nestle to conduct this meeting. Bill explained that he was retained to run a public participation process to improve community dialogue and acquire input related to the proposed Nestle water bottling plant. He stated that he and his firm focus on developing and managing interest based multi-stakeholder processes. Kearns & West's reputation and measure of success is not based on achieving the interests of any one party over another but is based on finding ways for all stakeholders to achieve mutual gains from a fair and balanced public participation process.

Ground Rules

Bill presented the ground rules and asked the audience if there were any other ground rules they would like to add. The group was asked to approve the ground rules. The ground rules approved for the process are:

- **Communicate Interests Not Positions**
- **Listen to Each Other – All Interests Are Valid**
- **Leave Baggage At The Door**
- **Speak One At A Time As Called Upon**
- **Be Concise**
- **Seek Solutions To Problems Or Disagreements**
- **Commit To The Success of This Process**

Bill asked that participants adhere to the ground rules. In response to a question, Bill provided examples to clarify the difference between interests and positions. An interest is: I want to be able to continue drawing fresh water from my well. A position is: I am opposed to anything that will dry up my well.

Primary Goal

Bill explained that the goals for the first meeting were to:

- **Review the past in order to focus on the future;**
- **Design a process structure and define the focus or topics of future meetings; and**
- **Establish a basis to work together not against each other**

Bill expressed hope that participants in the first meeting would focus on the future and provide input on a mutually beneficial public participation process. He explained that a number of stakeholders had asked to see a summary of interviews Kearns & West conducted in order to learn about the issues of concern to the community and acquire input on defining a path forward. Bill stated that he would like the participants to identify other issues. He would then like to hear input from stakeholders regarding an ongoing process and to begin to frame the goal, structure and topics for future meetings.

An audience member asked what the purpose of the process is. Bill explained that this meeting was the first in a series of meetings related to McCloud and the bottling facility and that the participants would work together to clarify issues and define interests and goals rather than pre-determine outcomes. There was a discussion of whether the meetings were premature (regarding CEQA) and if there could be beneficial outcomes from these meetings at this stage. Another audience member asked that before additional meetings occurred there be a community gathering and a vote on whether they want the Nestle project. Some suggested a vote in the meeting. This was objected to by other stakeholders. There was a comment that indicated that meetings would be beneficial and that the meetings should help educate the community on the project and potential impacts.

Provide Brief Overview of Interest-Based / Mutual Gains Processes

Bill explained what conflict is and the mutual gains approach that will be used as the principle philosophy guiding the community participation process. Bill explained that the principles of mutual gains approach are:

- **Both sides have legitimate interests to be recognized and advanced**
- **Approach the issues as problems to be solved**
- **Listening builds trust**
- **Create a win-win solution**
- **Seek sustainable alternatives**

Present Summary of Stakeholder Interviews

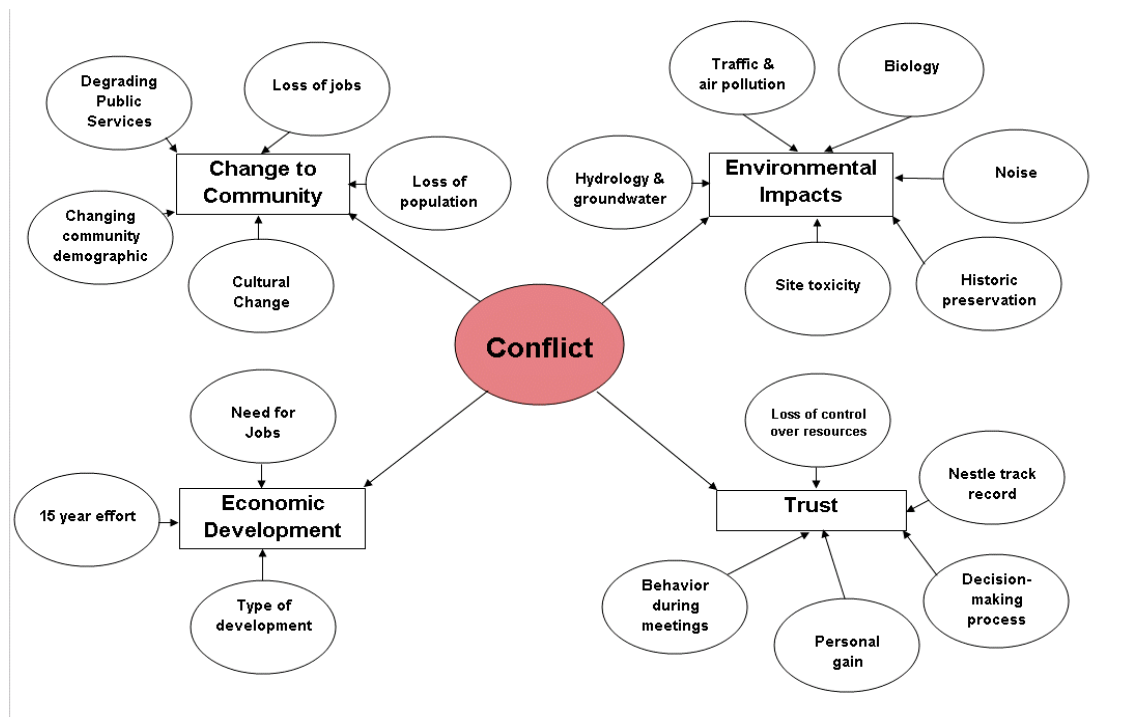
Bill explained that Kearns & West contacted forty individuals and conducted twenty-six interviews with community members to better understand the issues and concerns surrounding the proposed bottling facility. Bill presented the methodology of the community interview and how interviewees were selected. Bill provided a summary of the issues and concerns that were collected during the interviews and reviewed the sequence of events from 2003 to 2008 that led up to the current situation regarding the development of the proposed bottling facility. The major concerns can be generally catalogued as changes in the community, trust in Nestle, environmental impacts, and economic development.

The specific issues and concerns that were raised during the interviews were:

- **Process and Public Participation-** Interviewees expressed frustration about the level of public participation to date. There was also concern over the level of information exchange between groups. There was also concern about the Brown Act and the noticing of the meetings and their agendas.

- **Reputation and Trust-** Interviewees expressed that trust in Nestle is a large issue with many community members and must be addressed in order to move forward.
- **Contract and Studies / Studies and Contract-** Interviewees expressed concern over how the contract was announced and the decision made. Other interviewees brought up that the contract and discussion was on meeting agendas of the McCloud Services District and the public was invited to attend those meetings.
- **Socio- Economics and Development-** Interviewees expressed interest in developing the local economy and local jobs. There was concern over having one large employer as the basis of the economy.
- **Sound Science-** There was interest in having the decisions based on sound scientifically based information and that the information be the basis for the contract as well as the CEQA document.
- **Water – Quality, Quantity, Access and Cost-** There was much concern over the amount of water that would be taken, the compensation to the District for that water, if there would be any water quality issues, and who would have access to the water during dry years.
- **Traffic and Noise-** There was concern that the project would increase traffic on Highway 89 and increase noise within the town of McCloud. There were questions of mitigation measures and compensation.
- **Air Quality and Climate Change-** There was concern about how the trucks and the use of plastic bottles would impact air quality and climate change.

Bill presented a graphic that depicted some of the overarching causes to current conflicts. This graphic is presented below.



Identify Additional Interests and Issues

Bill opened the meeting up to the audience to raise additional concerns and issues and to further clarify others.

- **Communicate the outcome of the community meetings-** There was a discussion on what the outcome of the meeting and future meetings could be. Some voiced concern that the meetings were premature because there needed to be a decision by the community to pursue a new contract and use information from the scientific studies.
- **Need for time to heal and build relationships-** Some audience members expressed that there needed to be a process that helped the community come together.
- **Format and presentation of the meeting-** There were many comments on the format of the meeting, the use of the power point presentation, the poor acoustics of the meeting space and the facilitator's style.
- **Trust that Kearns & West is a neutral facilitator-** There were concerns and trust issues raised about Kearns & West being neutral if they are being paid by Nestle. There was a stakeholder

comment that Kearns & West is a mediator and that they are here to help the group as a whole.

- **Need to address and respond to issues and concerns that were collected during the scoping meeting for the CEQA process conducted by the County-** There was a comment that the issues and concerns were collected at previous scoping meetings and that those comments were never responded to.
- **Need for decision to have a project-** Multiple comments were made that the McCloud community needs to make their own decision on whether they want to have a water bottling plant and, if so, should that be Nestle.
- **Mitigation for transportation impacts-** A question was asked how the community would be reimbursed for any damage done to the roads due to increased truck traffic.
- **Differing perceptions of McCloud's socio-economic direction -** Housing developments in town were given as examples of the town growing. There was comment about a stakeholder quote depicting the town as "dying" and that it was inaccurate in terms of what is actually happening in town.
- **Need to find a way to address the issue of trust-** There were multiple comments related to trust and Nestle given their past actions McCloud and in other small communities around the country.
- **Pro-Nestle, Anti-Nestle, Pro-McCloud-** There was a comment that the common ground for participants is that they are all pro-McCloud. There was concern expressed that the issues and concerns being raised regarding Nestle did not mean that they were anti-McCloud.
- **Loss of community services impacts those living in the area including Squaw Creek-** There was a comment that the level of community services has been impacted due to the loss of local jobs and industry and that the surrounding area was also impacted.
- **Need to better understand water rights-** There was a discussion about water rights and beneficial use. A suggestion was made that there be an effort to better educate the community on these issues. There was also some concern over international law and trade and the possible preemption of California environmental regulations and water rights.

- **Need to have studies completed and other information made available before decisions can be made** - There were concerns about making decisions before the scientific studies are completed. There were questions regarding the source and volume of the water. There was also an interest expressed that additional efforts on water valuation would be important for decision-making.
- **Need for a meeting with only community members to discuss their issues and concerns-** There was a suggestion that the community members hold a meeting without Nestle in the room to discuss the future of McCloud and how to make a decision on whether or not the community wants the facility.
- **Dependency on one large employer-** There was concern about having one large employer in a small economy. There was a suggestion that small businesses develop as well.
- **Need to look at other resources that are available to create economic development-** There was a suggestion that biomass and cogeneration plants be looked at as well.
- **Bond-** There was a suggestion that Nestle post a bond that would ensure that mitigation for impacts would be secured.
- **Need to address the issue of misinformation about the project-** There was concern about the level of misinformation that was being brought up at the meeting and a need to dispel that information. There was a comment that the MCSD Board represents the community and when they listen to issues and concerns that are raised, they should not take into account views that are based on misinformation.

Define Initial Structure and Topics for Future Meetings

There were requests that the meeting format and location be changed. There were several suggestions regarding topics for future meetings. Those suggestions were:

- **Information exchange (educational meetings)-** There were suggestions that the meetings be used to exchange information and be educational to participants.
- **Water rights-** Some suggested education on water rights and what does Nestle actually own or control.

- **Water valuation-** There was interest in discussing how to place a correct price on water.
- **Scientific study overview-** the participants would benefit from an overview of the hydrologic and biological studies being planned and conducted.
- **Trust-** Many participants suggested a meeting that would address the concern of how Nestle is operating in other small communities and how McCloud can trust that a similar instance will not occur.

Schedule Next Meeting

Bill asked for input about scheduling the next meeting. There were suggestions to have the next meeting in January, 2009. There were no objections to holding the meeting in January, 2009. The meeting was adjourned at 8:09 p.m.